

BMW
GROUP

BMW HAUPTVERSAMMLUNG 2025.

INFORMATION ON AGENDA ITEM 8.

APPROVAL OF THE REMUNERATION SYSTEM
FOR THE MEMBERS OF THE BOARD OF MANAGEMENT
AS OF FINANCIAL YEAR 2025.



ROLLS-ROYCE
MOTOR CARS LTD



ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. OVERVIEW OF KEY POINTS.

Revision of certain aspects of the existing remuneration system of the Board of Management, effective for all members of the Board of Management as of 1 January 2025, subject to approval by the AGM 2025. Given that the existing remuneration system has proven to be effective, no fundamental adjustments were required.



- **Adjustment of the remuneration structure:** Redefinition of the ranges of the shares of the respective remuneration components and increasing the share of the share-based remuneration (LTI) to strengthen the long-term focus of the variable remuneration.
- **Bonus (STI):** In order to emphasize the significance of profitability targets within the scope of the bonus, the earnings component dependent on financial targets was increased from 50% to 70% of the target bonus amount.* The performance component dependent on non-financial targets will in future make up 30% of the target bonus amount.* The structure of the performance component was streamlined and the number of performance criteria (target dimensions) was reduced significantly. The performance component continues to include targets related to environmental, social and governance (ESG) criteria, accounting for at least 50% of its target amount.
- **Share-based remuneration (LTI):** Environment-related targets have been set as strategic focus targets since financial year 2021. In order to promote the implementation of the sustainability strategy, a minimum share of 20%* of the target amount of the strategic focus targets component has now been firmly established in the remuneration system for ESG goals.
- **Share Ownership Guidelines:** In addition to the existing requirements to hold shares as part of the LTI, the Supervisory Board may oblige Board members to acquire and hold BMW common shares. A corresponding commitment has been agreed: 200% (CEO) or 100% (Board members) of the base salary (gross) are to be invested in BMW common shares and held until resignation from the Board of Management.
- No change in maximum remunerations (unchanged since 1 January 2014).
- Malus and clawback provisions remain unchanged.

* In case of target achievement of 100%.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT.
OVERVIEW OF REVISED REMUNERATION SYSTEM.

Remuneration system as of 1 January 2025 ¹	
Base salary 20 – 33% ²	<ul style="list-style-type: none">▪ Fixed remuneration
Bonus (STI) 20 – 30% ²	<ul style="list-style-type: none">▪ Earnings component „Financial targets“▪ Performance component „Non-financial targets“ Target achievement 0 – 180%
Share-based remuneration (LTI) 31 – 45% ²	<ul style="list-style-type: none">▪ RoCE⁶ component▪ Strategic focus targets component Target achievement 0 – 180%
Pension scheme^{3,4} 4 – 12% ²	
Fringe benefits⁵ 1 – 4% ²	

General aspects
<ul style="list-style-type: none">▪ Maximum remunerations unchanged (€ 9.85m; € 5.5m respectively € 4.925m)⁷.
<ul style="list-style-type: none">▪ Minimum share of ESG-related targets for Bonus (STI) and share-based remuneration (LTI).
<ul style="list-style-type: none">▪ Peer group comparison within selected targets.
<ul style="list-style-type: none">▪ Malus and Clawback clauses related to variable remuneration.

1 Subject to the approval of the AGM 2025. | 2 Range of the shares of the target remuneration. | 3 Further information ↗ Annexe to agenda item 8: Remuneration system for the members of the Board of Management, p. 5. | 4 Pension contribution p.a. | 5 Based on contractual agreements; mainly benefits in kind from the use of company cars, insurance premiums, employee discounts, subsidies for security systems. | 6 RoCE Automotive segment, Return on capital employed. A description can be found in the ↗ BMW Group Report 2024, p. 51. | 7 Chairman of the Board of Management; member of the Board of Management in the 2nd period of office or as of 4th year of mandate; member of the Board of Management in 1st period of office.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. BASE SALARY, PENSION SCHEME AND FRINGE BENEFITS.

Remuneration system as of 1 January 2025	
	General aspects
Base salary	<ul style="list-style-type: none"> • Fixed remuneration. • Proportionate monthly payment in cash.
Bonus (STI)	
Share-based remuneration (LTI)	
Pension scheme	<ul style="list-style-type: none"> • Retirement benefits as a defined contribution system with a guaranteed minimum interest rate. • In the case of pension entitlements, former members of the Board of Management are entitled to retirement benefits at the earliest upon reaching the age of 62. • Pension entitlements become vested when the service contract has existed for one year. • The amount of pension benefits is generally based on the amount of the individual pension savings account of the respective member of the Management Board. • Disability benefit in the event of disability and survivor benefit in the event of death prior to the commencement of benefit payments.
Fringe benefits	<ul style="list-style-type: none"> • Fringe benefits mainly include benefits in kind from the use of company cars, insurance benefits, employee discounts and subsidies for security systems.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. BONUS (STI) (1).

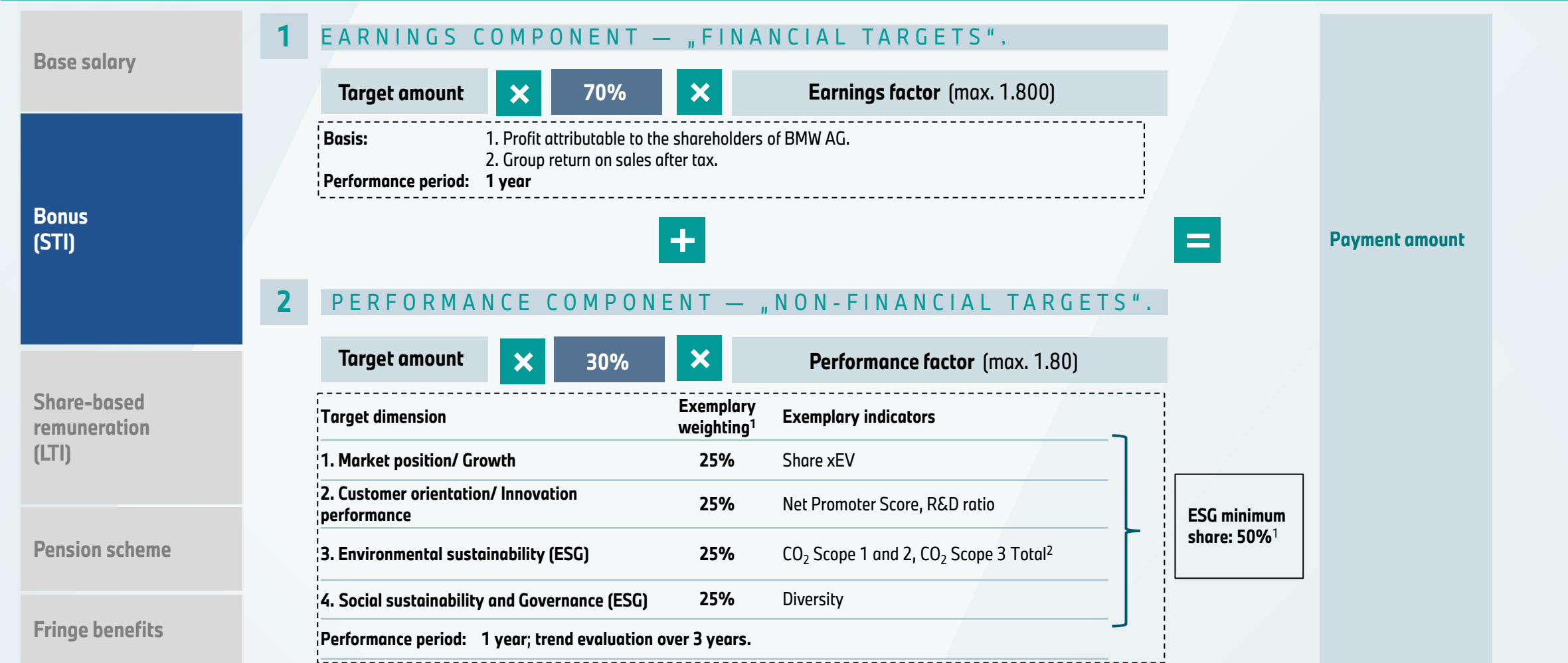
Remuneration system as of 1 January 2025

	General aspects
Base salary	<ul style="list-style-type: none"> Consisting of an earnings component and a performance component. Capped at 180% of target amount. Payment after the Annual General Meeting at which the financial statements are presented for the relevant grant year.
Bonus (STI)	<p>(1) Earnings component</p> <ul style="list-style-type: none"> The earnings component accounts for 70% of the target bonus amount (STI)*. Earnings factor is derived from an allocation matrix based on the parameters "Profit attributable to shareholders of BMW AG" and "Group return on sales after tax". Determination of the allocation matrix by the Supervisory Board for the respective financial year. The earnings factor is capped at a maximum value of 1.800. Performance period 1 year.
Share-based remuneration (LTI)	<p>(2) Performance component</p> <ul style="list-style-type: none"> The performance component accounts for 30% of the target bonus amount (STI)*. Non-financial criteria, expressed in terms of a performance factor aimed at measuring the Board member's contribution to the sustainable and long-term development and the future viability of the Company. The performance factor is capped at a maximum value of 1.80. Four target dimensions: 1. Market position/Growth; 2. Customer orientation/Innovation performance; 3. Environmental sustainability (ESG) and 4. Social sustainability and Governance (ESG). Minimum share of ESG-targets in the amount of 50%* of the target amount of the performance component. Determination of the weighting of the target dimensions and definition of the indicators and target values for the respective financial year by the Supervisory Board. Performance period is the vesting year; additional trend analysis over at least 3 years to assess impact of past decisions and actions in the grant year and impact of decisions and actions in the grant year on future fiscal years.
Pension scheme	
Fringe benefits	

* In case of target achievement of 100%.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT.
BONUS (STI) (2).

Remuneration system as of 1 January 2025



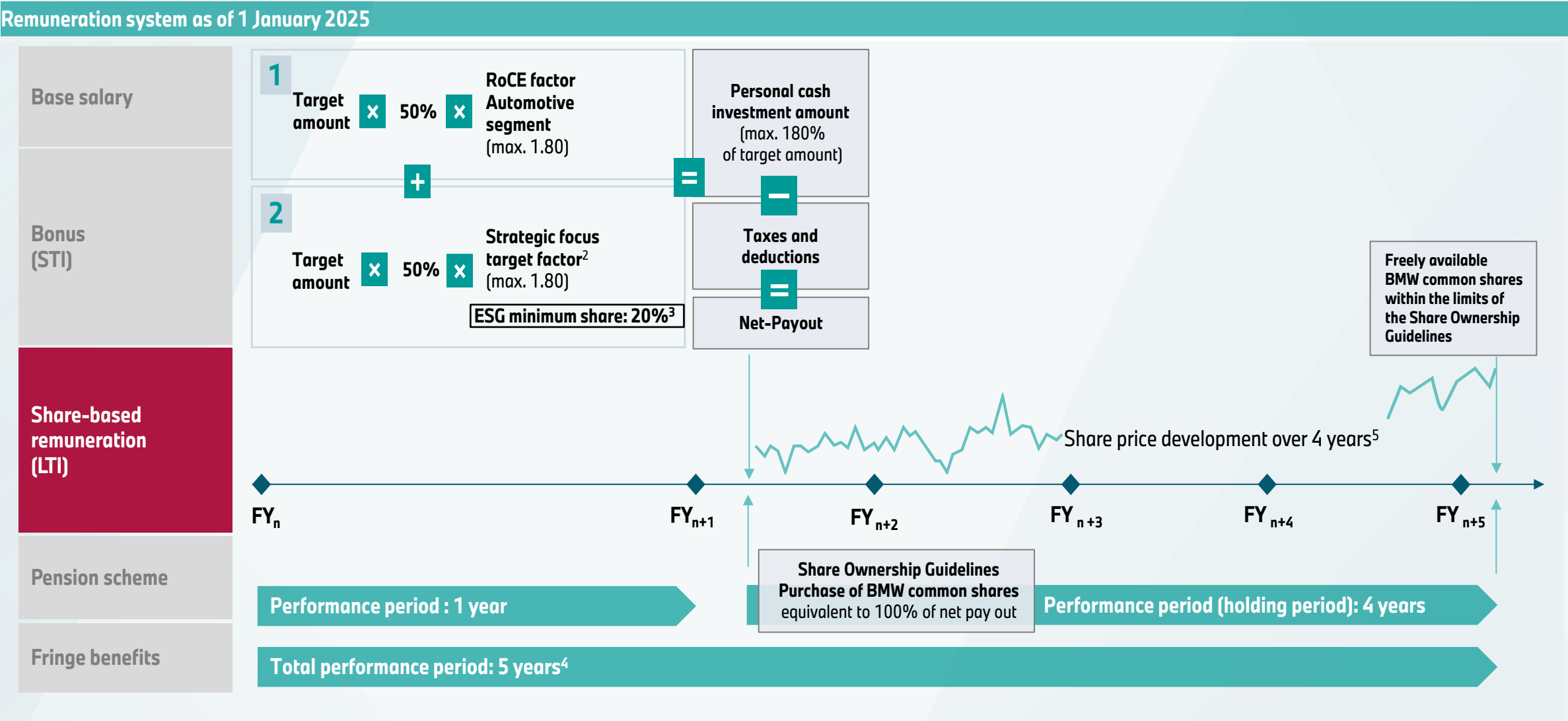
ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. SHARE-BASED REMUNERATION (LTI) (1).

Remuneration system as of 1 January 2025

	General aspects
Base salary	<ul style="list-style-type: none"> The members of the Board of Management receive a cash remuneration earmarked for investment in BMW common shares ("personal cash investment amount"). The amount is determined by the RoCE component and the strategic focus targets component.
Bonus (STI)	<ul style="list-style-type: none"> Capped at 180% of target amount. Payment after the Annual General Meeting at which the financial statements are presented for the relevant grant year. The members of the Board of Management are obliged to invest their personal cash investment amounts (less taxes and duties) in BMW common shares immediately after disbursement, and to hold these shares for a period of at least four years, even after resignation from the Board of Management. Performance period of 5 years in total: 1 year for determining the personal cash investment amount and 4 years holding obligation. The one-year performance period for determining the personal cash investment amount supports the transformation process, as changes in the environment can be taken into account.
Share-based remuneration (LTI)	<ul style="list-style-type: none"> Determination of the personal cash investment amount: <ul style="list-style-type: none"> (1) RoCE component: <ul style="list-style-type: none"> 50% of target value x RoCE factor derived from the RoCE Automotive segment. Determination of minimum, maximum and target values for the respective financial year by the Supervisory Board. The RoCE factor is capped at a maximum value of 1.80. (2) Strategic focus targets component: <ul style="list-style-type: none"> 50% of target value x strategic focus target factor based on level of achievement of at least 1 predefined non-financial strategic focus target. Derivation of strategic focus targets from corporate strategy and corporate planning. Minimum share for ESG-related targets of 20%¹ of the target amount of the strategic focus targets component. In case of several strategic focus targets, the weighting is determined by the Supervisory Board. Determination of minimum, maximum and target values for the respective financial year by the Supervisory Board. The factor for a strategic focus target is capped at a maximum value of 1.80.
Pension scheme	
Fringe benefits	<ul style="list-style-type: none"> BMW forewent implementing a performance criteria on the BMW share price in relation to competitors („relative TSR")². <ul style="list-style-type: none"> Focus by BMW AG on premium cars and motorbikes hence a lack of suitable/ sufficiently large peer group of listed companies. The Board of Management should be exposed to the share price development in the same way as shareholders of BMW AG and should not be placed in a more favourable or unfavourable position due to developments within the peer group.

1 In case of target achievement of 100%. | 2 Relative Total Shareholder Return (TSR) equivalent to the relative share price performance including dividend payments.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT.
SHARE-BASED REMUNERATION (LTI) (2).¹



1 Simplified presentation. | 2 Following strategic focus targets have been set for the year 2024: (1) Reduction of CO₂-fleet emissions in Europe (in g CO₂/km) and (2) global sales accounted for by all-electric vehicles (BEVs). | 3 Based on the target amount and target achievement of 100%. | 4 1 year for the determination of the personal cash investment amount and 4 years holding period, even if board member leaves office (including retirement). | 5 Exemplary presentation.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. FURTHER ASPECTS OF THE REMUNERATION SYSTEM.

Remuneration system as of 1 January 2025

	Content of the regulation
Share Ownership Guidelines (SOG)	<ul style="list-style-type: none"> • Obligation to purchase shares in the amount of 200% (CEO) or 100% (Board members) of the base salary (gross) within a 4-year development phase and to hold these shares until resignation from the Board of Management. • The purchase value is decisive for meeting the target level. • The shares acquired under the LTI also taken into account. • The holding obligation arising from the share-based remuneration (LTI) remains unchanged and applies in addition.
Malus and clawback provision	<p>Provisions on the withholding and clawback of variable remuneration</p> <p>(a) Malus</p> <ul style="list-style-type: none"> • Withholding variable remuneration in the event of serious compliance violations or as a provisional malus based on reasonable suspicion. • Malus is in principle also possible after leaving the Board of Management. <p>(b) Clawback</p> <ul style="list-style-type: none"> • Reclaim of variable remuneration that has already been paid out in the event of serious compliance violations, incorrect calculation bases for the remuneration or incorrect financial statements. • In principle, reclaim is also possible after resignation from the Board of Management.
Maximum amount/ Maximum remunerations	<ul style="list-style-type: none"> • The Supervisory Board has set maximum amounts for all variable remuneration components and the total remuneration of Board members (maximum remunerations). • The maximum remunerations remain unchanged and are below the sum of the maximum amounts from the individual remuneration components. The amounts are shown on page 10.
Compensation payments	<ul style="list-style-type: none"> • The Supervisory Board may grant payments to compensate for loss of salary from a previous employment relationship and to cover relocation costs upon new appointments. Such compensation is subject to the maximum remunerations.
Severance pay	<ul style="list-style-type: none"> • Board of Management service contracts provide for severance pay to be paid to the Board member in the event of early termination by the Company without due cause, the amount of which is limited to a maximum of two years' remuneration (severance payment cap). • If the remaining term of the contract is less than two years, the severance payment is reduced proportionately. • A severance payment is offset against any compensation for post contractual non-competition.
Change of Control	<ul style="list-style-type: none"> • No commitments or agreements exist for payment of compensation in the event of early termination of a Board member's mandate due to a change of control or a takeover offer.
Adjustment possibilities	<ul style="list-style-type: none"> • In the event of exceptional developments such as significant acquisitions and sales, changes in accounting standards or tax rules with significant impact, the amount of remuneration components, including the target remuneration of variable remuneration elements, their ratio to each other, the respective payout amounts and the payout dates may be adjusted even after the financial year has commenced, provided that the maximum remunerations and the limits set for the variable remuneration components before the commencement of the financial year are not exceeded.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. FIRST CHANGE OF TARGET REMUNERATION SINCE 2021. MAXIMUM REMUNERATIONS UNCHANGED.

Comparison of target remuneration up to now / as of FY 2025¹

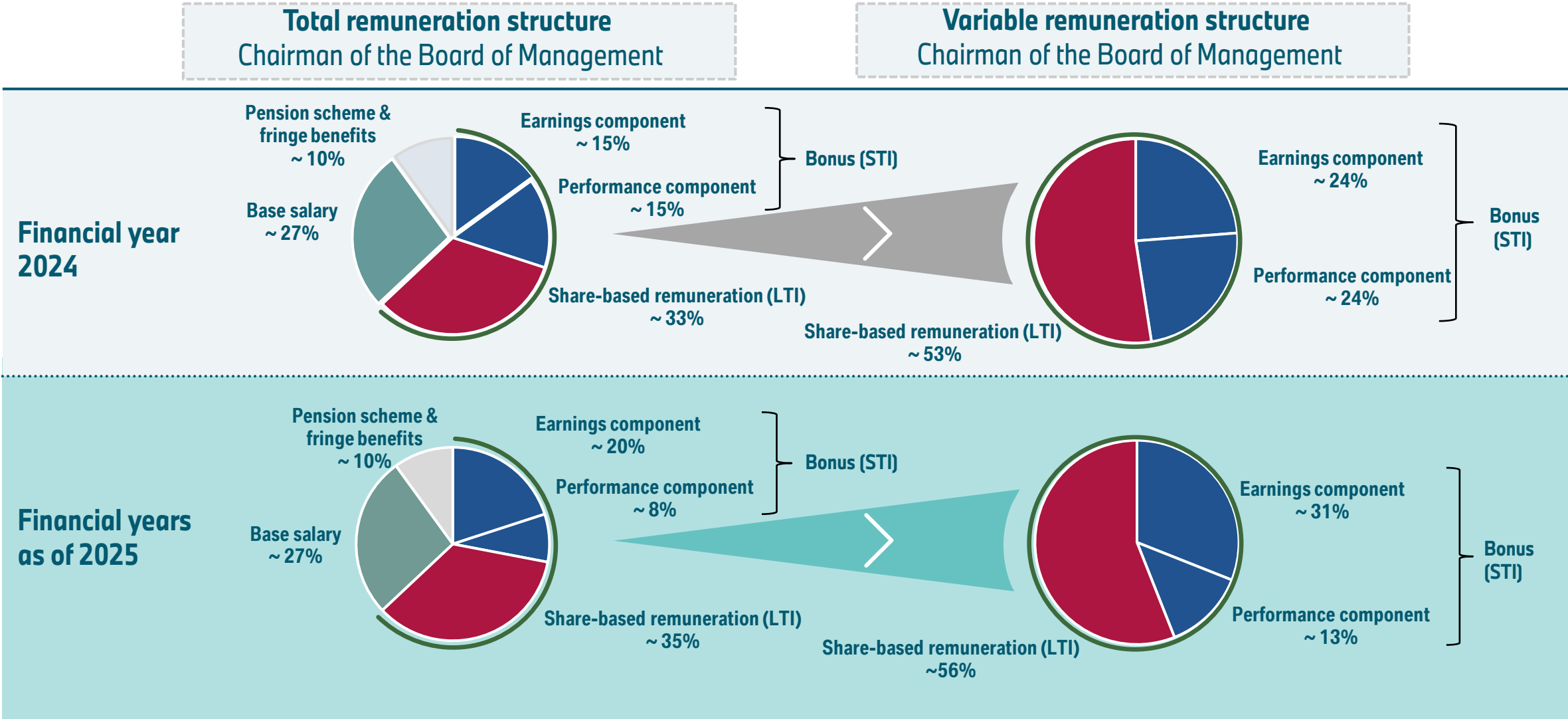
Comparison of target remuneration up to now / as of FY 2025 ¹				Chairman of the Board of Management				Member of the Board of Management during the 1st period of office				Member of the Board of Management during the 2nd period of office or as of the 4th year of mandate			
						Share of total target remuneration ²				Share of total target remuneration ²				Share of total target remuneration ²	
in thsd. €				Up to now	New	Up to now	New	Up to now	New	Up to now	New	Up to now	New	Up to now	New
Base salary				1,950	2,100	~ 27 %	~ 27 %	900	970	~ 26 %	~ 26 %	1,050	1,130	~ 26 %	~ 26 %
Variable remuneration	Bonus (STI)	Up to now:	New:	1,050	1,547	~ 15 %	~ 20 %	475	700	~ 14 %	~ 19 %	575	847	~ 15 %	~ 20 %
		- Earnings component (50%)	- Earnings component (70%)	1,050	663	~ 15 %	~ 8 %	475	300	~ 14 %	~ 8 %	575	363	~ 15 %	~ 8 %
	Share-based remuneration (LTI)	- Performance component (50%)	- Performance component (30%)	1,175	1,377.5	~ 16 %	~ 18 %	550	645	~ 16 %	~ 17 %	640	752.5	~ 16 %	~ 17 %
		- RoCE component (50%)	- Strategic focus targets component (50%)	1,175	1,377.5	~ 16 %	~ 18 %	550	645	~ 16 %	~ 17 %	640	752.5	~ 16 %	~ 17 %
Others	Pension scheme			700	750	~ 10 %	~ 10 %	400	430	~ 12 %	~ 12 %	400	430	~ 10 %	~ 10 %
	Fringe benefits ³			50	50	~ 1 %	~ 1 %	50	50	~ 1 %	~ 1 %	50	50	~ 1 %	~ 1 %
= Total target remuneration				7,150	7,865	100 %	100 %	3,400	3,740	100%	100%	3,930	4,325	100 %	100 %

Remuneration cap and maximum remunerations

Remuneration cap and maximum remunerations				Chairman of the Board of Management		Member of the Board of Management during the 1st period of office		Member of the Board of Management during the 2nd period of office or as of the 4th year of mandate	
in thsd. €				Up to now	New	Up to now	New	Up to now	New
Base salary				1,950	2,100	900	970	1,050	1,130
Variable remuneration	Up to now:		New:						
	Bonus (STI)	- Earnings component (50%)	- Earnings component (70%)	1,890	2,784.6	855	1,260	1,035	1,524.6
		- Performance component (50%) - Performance component (30%)		1,890	1,193.4	855	540	1,035	653.4
	Share-based remuneration (LTI)	- RoCE component (50%)		2,115	2,479.5	990	1,161	1,152	1,354.5
		- Strategic focus targets component (50%)		2,115	2,479.5	990	1,161	1,152	1,354.5
Others	Pension scheme			700	750	400	430	400	430
	Fringe benefits ³			50	50	50	50	50	50
Calculated maximum remuneration				10,710	11,837	5,040	5,572	5,874	6,497
Maximum remuneration ("Cap"), § 87a AktG (unchanged)				9,850	9,850	4,925	4,925	5,500	5,500

¹ The specific target remuneration is set by the Supervisory Board and is not part of the remuneration system. The Supervisory Board has consulted an independent external remuneration consultant to assess the usual market practice with respect to the target remuneration within the DAX as comparative market. | ² Due to roundings, percentage values may not add up to 100%. | ³ Exemplary assumption.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT.
OVERVIEW REMUNERATION STRUCTURE.*



ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. COMPARISON OF THE REMUNERATION SYSTEM (UP TO NOW / NEW) (1).

Remuneration system up to now		Remuneration system as of 1 January 2025 ²	
Base salary 25 - 30% ¹	<ul style="list-style-type: none"> Fixed remuneration 	Base salary 20 - 33% ¹	<ul style="list-style-type: none"> Fixed remuneration
Bonus (STI) 27 - 30% ¹	<ul style="list-style-type: none"> Earnings component „Financial targets “ Weighting³ 50% Performance component „Non-financial targets“ 50% minimum share ESG: 50%³ 	Bonus (STI) 20 - 30% ¹	<ul style="list-style-type: none"> Earnings component „Financial targets “ Weighting³ 70% Performance component „Non-financial targets“ 30% ESG-minimum share: 50%³
Share-based remuneration (LTI) 31 - 36% ¹	<ul style="list-style-type: none"> RoCE component⁴ Weighting³ 50% Strategic focus target component 50% At least 2 strategic focus targets 	Share-based remuneration (LTI) 31 - 45% ¹	<ul style="list-style-type: none"> RoCE component⁴ Weighting³ 50% Strategic focus target component 50% At least 1 strategic focus target minimum share ESG⁴: 20%³
Pension scheme ⁵ 7 - 12% ¹		Pension scheme ⁵ 4 - 12% ¹	
Fringe benefits ⁶ 1 - 4% ¹		Fringe benefits ⁶ 1 - 4% ¹	

Share Ownership Guidelines (SOG):

- **Obligation to buy shares** regardless of the target achievement of the variable remuneration.
- **Scope:** 200% / 100% of base salary (gross) (CEO/ Board members).
- **Development phase:** 4 years.
- **Holding obligation:** Until resignation from the Board of Management.
- Holding obligation arising from the share-based remuneration remains unchanged and applies in addition.

Legend:
Changes (yellow boxes)

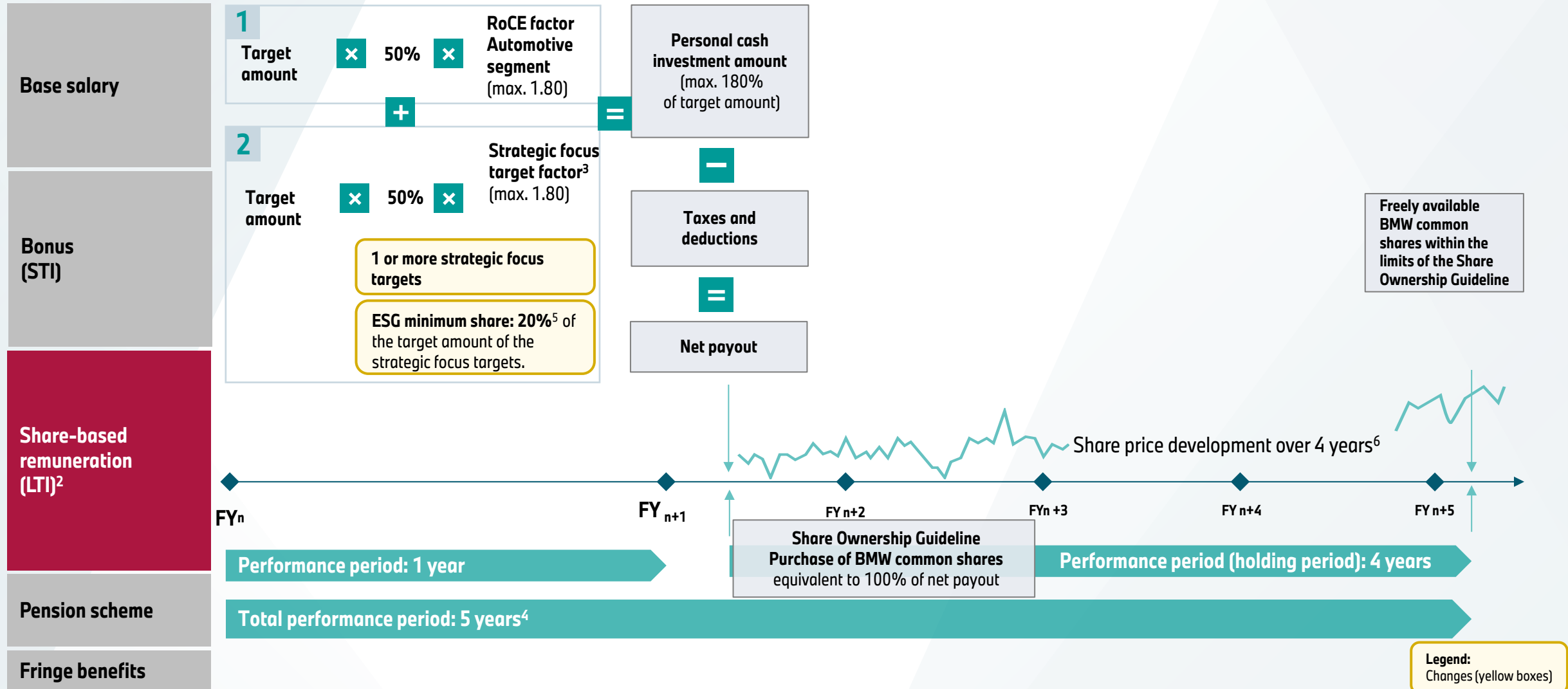
1 Range of the shares of the target remuneration. | 2 Subject to the approval of the AGM 2025. | 3 Based on the target amount and target achievement of 100%. | 4 RoCE Automotive segment, Return on capital employed. Further information [p. 51 BMW Group Report 2024](#). | 5 Pension contribution p.a.; further information [p. 396 BMW Group Report 2024](#) respectively [Annexe to agenda item 8: Remuneration system for the members of the Board of Management, p. 5](#). | 6 Based on contractual agreements; mainly benefits in kind from the use of company cars, insurance premiums, employee discounts, subsidies for security systems.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT.
COMPARISON OF THE REMUNERATION SYSTEM (UP TO NOW / NEW) (2). BONUS (STI).

Remuneration system up to now				Remuneration system as of 1 January 2025 ¹					
Base salary	1 EARNINGS COMPONENT — „FINANCIAL TARGETS“.			1 EARNINGS COMPONENT — „FINANCIAL TARGETS“.			(1) Changed weighting of the components with a higher share of the earnings component (financial targets).		
	Target amount	×	50%	×	Earnings factor (max. 1.800)				
	Basis: 1. Profit attributable to the shareholders of BMW AG. 2. Group return on sales after tax.								
Performance period: 1 Year				+	=				
Bonus (STI)	2 PERFORMANCE COMPONENT — „NON-FINANCIAL TARGETS“.			2 PERFORMANCE COMPONENT — „NON-FINANCIAL TARGETS“.			Payment amount		
	Target amount	×	50%	×	Performance factor (max. 1.80)				
Share-based remuneration (LTI)	Weighting ² Criteria			Target dimension Weighting ² Exemplary indicators			(2) Elimination of individual targets, significant reduction of performance criteria to 4 target dimensions.		
	Departmental targets	10%	Individual performance of each Board Member	1. Market position/ Growth	25%	Share xEV			
Pension scheme	Inter-departmental targets	90%	1. Innovation performance (envir.)	ESG-criteria 50% ³	2. Customer orientation/ Innovation performance	25%	Net Promoter Score, R&D ratio	(3) Determination of the weighting of target dimensions and associated metrics on an annual basis. ESG-minimum share 50% ² of the target amount of the performance component.	
			2. Reputation		3. Environmental sustainability (ESG)	25%	CO ₂ Scope 1 and 2, CO ₂ Scope 3 Total ³		
3. Adaptability			4. Social sustainability and Governance (ESG)		25%	Diversity			
4. Employer attractiveness			Performance period: 1 Year; trend analysis over 3 years.						
5. Leadership performance									
6. Market position									
7. Innovations performance (econ.)									
8. Customer orientation									
Fringe benefits			9. Reputation (e.g. brand strength)						
Performance period: 1 Year; trend analysis over 3 years.							Legend: Changes (yellow boxes)		

1 Subject to the approval of the AGM 2025. | 2 Based on the target amount and in case of target achievement of 100%. | 3 In CO₂ e.

ITEM 8 – APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT. REMUNERATION SYSTEM (NEW). SHARE-BASED REMUNERATION (LTI).^{1,2}



¹ Subject to the approval of the AGM 2025. | ² Simplified presentation. | ³ Following strategic focus targets have been set for the year 2024: (1) Reduction of CO₂-fleet emissions in Europe (in g CO₂/km) and (2) global sales accounted for by all-electric vehicles (BEVs). | ⁴ 1 year for the determination of the personal cash investment amount and 4 years holding period, even if board member leaves office (including retirement). | ⁵ In case of target achievement of 100%. | ⁶ Exemplary presentation.